

10/28/

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AUG 30 8 24 PM '78

STAFF

ACTION: DCI/PA (005) INFO: DCD/EOO, VR, FILE, DCI, D/DCI, DDO-4, CS/RF, (11/W)

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C O N F I D E N T I A L 302030Z AUG 78 STAFF

CITE

TO: PRIORITY DIRECTOR INFO DCD/HEADQUARTERS.

FOR: PUBLIC AFFAIRS OFFICE (

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WNINTEL

SUBJECT: DDCI SPEECH TO PORCUPINE CLUB OF SAN FRANCISCO

1. DDCI CARLUCCI WILL SPEAK TO THE NEWLY-FORMED PORCUPINE CLUB (PC) OF SAN FRANCISCO AT ITS INITIAL MEETING ON 7 SEP 78 AT THE BOHEMIAN CLUB IN SAN FRANCISCO. THE PC IS COMPRISED OF 48 TOP-LEVEL BUSINESS EXECUTIVES (32 HAVE INDICATED THEY WILL ATTEND) FROM THE SAN FRANCISCO BAY AREA AND CONSTITUTES THE MOST PRESTIGIOUS GROUP THAT COULD BE ASSEMBLED TO HEAR AN AGENCY SPEAKER. NO PUBLICITY WILL BE GIVEN TO THE EVENT AND THERE WILL BE NO PUBLICATION OR ATTRIBUTION OF REMARKS. PC ORGANIZERS HOPE FOR A RELAXED, OFF-THE-CUFF, CANDID PRESENTATION OF 30 MINUTES OR LESS ON PROBLEMS OF OPERATING IN TODAY'S CLIMATE, WITH A 15 MINUTE QUESTION-AND-ANSWER SESSION TO FOLLOW. BECHTEL GENERAL COUNSEL CASPAR WEINBERGER WILL PERFORM THE INTRODUCTION AND CHAIR THE Q&A SESSION. PACIFIC GAS AND ELECTRIC CHAIRMAN OF THE BOARD RICHARD H PETERSON WILL CHAIR THE MEETING.

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2.

SUBJECT TO THE DDCI'S APPROVAL. TWO OF THE THREE NEWSPAPER MEMBERS (SF CHRONICLE AND SF EXAMINER) HAVE DECLINED TO ATTEND BUT GORDON STRONG, PUBLISHER OF THE OAKLAND TRIBUNE, HAS ACCEPTED.

3. THE DDCI SHOULD BE APPRISED THAT THE PC IS AN UNCONNECTED OFF-SHOOT OF THE DENVER PC WHICH WAS ORGANIZED BY A BUSINESS EXECUTIVE NOW RESIDING HERE. (THE DENVER PC WAS VISITED BY HERBERT HETU THIS SPRING.) THE SAN FRANCISCO PC WAS FORMED IN MAY 1978, PLANS TO MEET EVERY OTHER MONTH AFTER THIS INITIAL MEETING, AND ASKS

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NOTHING OF ITS MEMBERS BUT OFFERS THEM AN OPPORTUNITY TO SOCIALIZE WITH THEIR PEERS AND TO HEAR SPEAKERS ON VITAL CURRENT ISSUES.

4. IT IS IMPORTANT FOR THE DDCI TO REALIZE THAT ALTHOUGH HIS AUDIENCE IS IMPRESSIVELY PRESTIGIOUS, IT WOULD BE INAPPROPRIATE TO ASSUME ANY SOPHISTICATION OR WELL-INFORMED BACKGROUND ON THE AGENCY OR THE INTELLIGENCE COMMUNITY. FOR EXAMPLE, ONE MEMBER SUGGESTED THAT HE WOULD LIKE TO KNOW WHAT THE DDCI VISUALIZES "AS THE GREATEST SECURITY PROBLEM IN NORTHERN CALIFORNIA -- ISN'T IT THE UNIVERSITY OF CALIFORNIA AT BERKELEY?" THIS ILLUSTRATES THE PROBABLE LACK OF UNDERSTANDING AMONG THE PC AUDIENCE FOR THE AGENCY'S STATUTORY RESPONSIBILITIES AND ROLE. IT WOULD BE HELPFUL IF THE DDCI COULD POINT OUT THAT THE AGENCY HAS NO DOMESTIC SECURITY, LAW ENFORCEMENT, OR INVESTIGATIVE FUNCTIONS AND CONCENTRATES ON FOREIGN INTELLIGENCE MATTERS. IT WOULD BE INSTRUCTIVE FOR THE PC IF HE COULD MENTION THAT WE ASK US BUSINESSMEN AND SCHOLARS TO SHARE SCIENTIFIC, TECHNICAL AND ECONOMIC INFORMATION ABOUT FOREIGN COUNTRIES BECAUSE IT IS IN THE NATIONAL INTEREST TO DO SO.

5. [ ] HAS BEEN GIVEN AN ADVANCE COPY (EXPRESS-MAILED TO HETU TODAY) OF A LOCALLY-DISTRIBUTED, SENSATIONALISTIC, COUNTER-CULTURE MAGAZINE CALLED MOTHER JONES FEATURING A TEN PAGE ARTICLE ENTITLED, "THE BECHTEL FILE: HOW THE MASTER BUILDERS PROTECT THEIR BEACHHEADS," WHICH PROMINENTLY ALLEGES A STRONG [ ] CONNECTION. BY THE TIME OF THE DDCI'S SPEECH HERE, THIS ARTICLE WILL VERY LIKELY BE THE FOCUS OF ATTENTION AND CONCERN IN THE BUSINESS COMMUNITY THAT CIA CONTACTS CAN JEOPARDIZE THEIR PUBLIC IMAGE. A COROLLARY TOPIC THAT UNDOUBTEDLY WILL BE BROUGHT UP BY THE PC WILL BE THE MATTER OF SOURCE CONFIDENTIALITY. IT IS CLEAR TO [ ] THAT CONFIDENCE IS RAPIDLY WANING IN THE PRIVATE SECTOR HERE REGARDING THE AGENCY'S ABILITY AND DETERMINATION TO KEEP SOURCE AND METHOD INFORMATION OUT OF THE MEDIA.

6. A SHOCKING REVELATION SURFACED RECENTLY IN DISCUSSIONS WITH A BANK PRESIDENT WHO IS COINCIDENTALLY A MEMBER OF THE PC. (IT IS NOT KNOWN YET WHETHER HE WILL ATTEND THE DDCI'S PRESENTATION. THE NIO FOR POLITICAL ECONOMY PARTICIPATED WITH [ ] IN THE MEETING AND COULD PROVIDE PERSPECTIVE IF DESIRED.) THE BANKER VOLUNTEERED THAT HE BELIEVES (AND IMPLIED WIDER ACCEPTANCE) THAT THE CURRENT ADMINISTRATION WOULD USE ECONOMIC INFORMATION OBTAINED FROM HIS BANK TO THE ADMINISTRATION'S OWN PURPOSES IN ADVANCING ITS GOALS AS DIFFERENTIATED FROM NATIONAL GOALS. THE DDCI SHOULD BE PREPARED

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TO COMMENT ON THE ROLE OF THE INTELLIGENCE COMMUNITY AS AN ADVISOR  
TO THE PRESIDENT.

7. THE DDCI SHOULD ALSO BE PREPARED TO COPE WITH QUESTIONS  
STEMMING FROM THE DCI'S PUBLIC TALK ABOUT MORE OPENNESS IN US  
INTELLIGENCE AND HIS DESIRE TO SHARE INFORMATION WITH THE US BUSINESS  
COMMUNITY. ONE PC MEMBER HAS ASKED [ ] FOR ACCESS TO THE PRESIDENT'S  
DAILY BRIEF AS A POSSIBLE QUID-PRO-QUO FOR COOPERATION WITH THE  
AGENCY. THE EXTREME ABSURDITY OF SUCH A REQUEST WAS NOT APPARENT  
TO THE BUSINESSMAN AND OTHERS WILL NO DOUBT BE TEMPTED TO FOLLOW  
SUIT IF THEY HAVE SEEN PUBLICITY ON THE TOPIC OF SHARING INFORMATION.  
E2 IMPDET CL BY 031686

END OF MESSAGE

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